



# Governor's council: Private, public cooperation in advanced mobility could mean billions in revenue, thousands of jobs

Arkansas Council on Future Mobility makes recommendations that will establish Arkansas as global leader by end of decade

#### **Press Kit**

**LITTLE ROCK, AR - (Dec. 9, 2022)** - Yesterday, the Arkansas Council on Future Mobility outlined a plan to bolster the burgeoning future mobility sector in Arkansas and the heartland. The Council's findings resulted from 10 months of intensive work by government officials, corporate leaders and private investors, working in lock step to achieve Gov. Asa Hutchinson's goal of being the industry's global leader by 2030.

The report is a first in the nation statewide comprehensive future mobility plan to address the rapidly changing future of moving people and goods on the ground, air, sea, sea and space - cleaner, faster, safer, and at lower cost.

Gov. Hutchinson earlier this year formed the Arkansas Council on Future Mobility, which is comprised of 26 advisory and 18 appointed members who are private investors, government and public utility administrators, academic experts, and corporate leaders including but not limited to Walmart, JB Hunt, UP.Partners, Canoo, the University of Arkansas, DroneUp, Entegrity, Garver, Gatik, Runway Group, Skyports, Tulsa Innovation Labs, Tyson Foods, Union Pacific, Southern Arkansas University Tech and Zipline.

The council was charged with five primary objectives:

- 1. Identify state laws and administrative rules that create barriers to the development and enhancement of electrification and advanced air mobility (AAM);
- 2. Make policy and program recommendations to support and facilitate the development of electrification and AAM;
- 3. Develop priorities and recommendations for the allocation of federal resources and grant programs in order to invest in critical components of an advanced mobility ecosystem, including energy, infrastructure, security, and transportation;
- 4. Identify future tasks and goals, including strategic goals in education, workforce training, and economic development;
- 5. Create incentives to develop opportunities, amplify economic activity, and create jobs.





"The report the council produced is invaluable and can serve as a blueprint for how we can achieve our goal of being the global leader in future advanced mobility," Gov. Hutchinson said. "It also reinforces the fact that we need to take a thoughtful, strategic approach to growing this industry. This growth will not come by accident and there are no do-overs. My fellow Arkansans and I are extremely grateful for the council's intensive work that will pay dividends for generations to come."

Gov. Hutchinson appointed Cyrus Sigari, an accomplished aviator, entrepreneur, investor, and current managing partner of mobility investment firm UP.Partners, as the council's chairman.

"Arkansas has a rich history in which entrepreneurial spirit, tremendous work ethic, and cuttingedge innovation have all blended to produce some of the most successful corporations and organizations in the world," Sigari said. "These same values, along with the support of investors, corporate leaders, the general public, and state policy-makers, have made the state wellpositioned to take advantage of this incredible moment in time."

## **Key Findings**

Future mobility – which can include drones, autonomous and electric vehicles, electric scooters and bicycles, flying cars, spaceships, and other related technologies – is one of the most rapidly-evolving technological areas of advancement and investment.

- A community's access to mobility is tied directly to its quality of life. It is the underlying fabric of society, as well as one of its largest economic drivers as a \$10 trillion annual industry.
- Transportation and mobility comprise the largest source of CO2 emissions in the world.
  Reducing the industry's impact on the environment has become a priority for companies
  and governments. As "the Natural State," Arkansas can set an example for the rest of
  the world in proving that innovation and investment can be the catalyst to make
  transportation greener and more efficient.
- Every facet of mobility is being disrupted by the convergence of exponential technologies. These technologies are helping humanity move people and goods cleaner, faster, safer, and at lower cost on the ground, air, sea and space.

It is crucial for state officials to work in tandem with the private sector and educational system to establish and grow the entrepreneurial ecosystem needed for Arkansas to flourish in future mobility.

• Attracting and encouraging venture capital is key to the growth of the future mobility sector, and the state is currently below average in that regard.





- The state can learn from the success of places like Israel which on an annual basis spends \$500M+ to support their local technology community by investing in startups.
- The state has an opportunity to launch an Arkansas Innovation Fund backed by the \$80B+ of investable capital living in the state to invest in this burgeoning ecosystem.
- State lawmakers and administrators need to make additional legislative and policy changes to create the entrepreneurial ecosystem necessary for further growth.
- Education will also be vital to industry growth. An Institute of Advanced Mobility at UA and an update to STEM-based curriculum in grade schools can help give students the proper skillset and inspire them to stay in state.

Arkansas becoming a global leader in future mobility will have a positive impact on the region. Interstate cooperation – especially with border states – will continue to be extremely important.

- In March, Gov. Hutchinson entered the state into a three-state partnership with Arkansas and Louisiana to join forces to compete for the \$7 billion available through the Department of Energy's Infrastructure, Investment and Jobs Act of 2021.
- In August, the governor signed a landmark <u>memorandum of understanding</u> with Gov. Kevin Stitt of Oklahoma to establish the "Advanced Mobility Corridor."
- An opportunity exists to partner with other neighboring States (Tennessee and Texas) in addition to Oklahoma to form a Super Region for Mobility in the Heartland.

Arkansas has tremendous opportunities for development, manufacturing and facilitation of specific future-mobility sectors such as space exploration, drone readiness, and autonomous vehicles (AVs)

- The state should be prepared to foster the rapidly-growing private space exploration economy. The establishment of a state-wide Arkansas Space Authority could develop and manage spaceports and then advocate for and attract space-related businesses.
- Arkansas is already nationally recognized as one of the states most ready for drone commerce. The George Mason University's Mercatus Center ranks Arkansas as the second-most prepared state ready for drone commerce.
  - Arkansas' own Walmart has committed to extend drone delivery to four million US households in the year to come.
  - The use of drones has already proven to be a money and time-saver for the state. The state's Department of Transportation's use of drone-based inspections reduced the cost of infrastructure inspections by 72 percent and the time needed for these inspections by 88 percent. To capitalize on these benefits, the governor's office could work with ARDOT, other state agencies, municipalities, and private companies to develop a strategic action plan designed to accelerate smart inspection solutions statewide.





- The Autonomous Vehicle (AV) industry provides a once-in-a-century transformation of our transportation system, and Arkansas can exercise proactive leadership to steer this transformation to benefit the public.
  - The state's lawmakers took a strong first step in promoting the AV industry with the passage of <u>Arkansas Act 468</u>. This law allows companies to enact autonomous vehicle pilot programs on public roads within the state.

#### Why it Matters

Lawmakers and local municipal officials all have a role to play in ensuring the success of advanced mobility. Efforts for Arkansas to become a hub for the advanced mobility sector and next gen transportation industry have already been launched, but to be a true global leader in this burgeoning industry will require more cooperative action. The benefits will include more high-paying jobs for Arkansans, a cleaner environment and less traffic congestion, and a higher gross domestic product to help raise the standard of living for everyone in the state.

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### **Arkansas Council on Future Mobility**

The Arkansas Council on Future Mobility is an advisory board formed by Asa Hutchinson, the 46<sup>th</sup> governor of Arkansas, in February 2022, in an effort to position Arkansas as a hub for future mobility nationwide with a commitment to attract businesses, startups, innovators and creators in advanced technology. The council is comprised of 26 advisory and 18 appointed members who are private investors, government and public utility administrators, academic experts, and corporate leaders including UP.Partners, Tyson Foods, Walmart, J.B. Hunt, University of Arkansas, Canoo, Arkansas Aerospace and Defense Alliance, Entergy Arkansas, MISO, Arkansas Department of Energy and Environment, Arkansas Department of Transportation, Arkansas Department of Public Safety, Arkansas Department of Commerce, Arkansas Public Service Commission, Southern Arkansas University Tech, Arkansas Trucking Association, Arkansas Auto Dealers Association, Union Pacific, Runway Group, Endeavor Arkansas, Skyports, Arkansas Advanced Energy Alliance, Arkansas Electric Cooperative, Arkansas Transit Association, Garver, University of Arkansas College of Engineering, DroneUp, Arkansas Economic Development Commission, Entegrity, ArcBest, Tulsa Innovation Labs, Arkansas State Police, Zipline, Wing, DEKA, Office of Governor Hutchinson, Gatik, Hart & Ashley and Arkansas Department of Education. To read the council's latest report and for more information on the work being done on advanced mobility visit www.arfuturemobility.org.